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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 1428
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0423
RUEHAK/AMEMBASSY ANKARA PRIORITY 4213
RUEHBJ/AMEMBASSY BEIJING PRIORITY 2025
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0218
RUEHKO/AMEMBASSY TOKYO PRIORITY 1890
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2461
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RHMFISS/CDR USCENCOM MACDILL AFB FL PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEHVEN/USMISSION USOSCE PRIORITY 2822
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY

C O N F I D E N T I A L ASHGABAT 001130

SIPDIS

STATE FOR SCA/CEN; EEB
PLEASE PASS TO USTDA DAN STEIN
ENERGY FOR EKIMOFF/THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: DECL: 08/27/2018
TAGS: [PGOV](#) [ECON](#) [EPET](#) [EINV](#) [CH](#) [TX](#)
SUBJECT: TURKMENISTAN: CNPC'S GROWING PRESENCE HAS IMPACT
ON LOCAL ECONOMY IN LEBAP PROVINCE

REF: A. ASHGABAT 1121
[1](#)B. ASHGABAT 1129

Classified By: Charge d'Affaires Sylvia Reed Curran for reasons 1.4(B)
and (D).

[1](#)1. (C) SUMMARY: An Emboff who spends a great deal of time in Lebab Province has been observing the impact of the growing Chinese National Petroleum Corporation (CNPC) presence. Over the last few months, a growing number of Chinese workers have become visible in Turkmenabat, and the company's increasing presence is affecting prices, employment, material and equipment supplies, transportation, and border activities. With all of this change, there is little question that work is being carried out at a furious pace to meet contract deadlines related to the Turkmenistan-China pipeline and the gas fields that are to feed it. END SUMMARY.

[1](#)2. (C) On August 27, Emboff reported that Turkmenabat has been completely overrun by CNPC workers and by the company's efforts to bring in materials and hire local employees, in order to complete the facilities that will support the new pipeline. A large number of Chinese employees are now living in and around Turkmenabat, and a large pre-fab encampment has also been completed near one of the CNPC work areas on the north side of the river (Ref. A). Their presence has set off prices hikes in restaurants and stores in Turkmenabat as locals attempt to take advantage of the workers' presence (Ref. B).

[1](#)3. (C) Emboff, who frequently travels to the area to facilitate construction of new border crossing facilities there, said that CNPC has snapped up almost all the skilled labor in Turkmenabat, and, because CNPC is paying very good salaries, some of those hired to work on the border facility are leaving their jobs and going to work for the Chinese. (NOTE: Regional government officials recently told Emboff

that they are under pressure to complete the construction of all infrastructure that will support the new pipeline's construction and operations, and if they do not complete their work on time, the Government of Turkmenistan could be assigned large penalties that were stipulated in the pipeline agreement.

¶4. (C) The CNPC facilities are scattered along the north side of the Amu Darya, from north of Farap to at least the Samandepi area about 40 miles southeast of Turkmenabat. One drilling rig is visible and the housing and administrative office is on the north side of the road on the way to the Samandepi site, which has security on the road at its entrance. The gas processing facility is located closer to the Farap border crossing. The Farap rail yard has become completely consumed in deliveries and stockpiles of CNPC materials and equipment, and new deliveries are arriving every day.

¶5. (C) COMMENT: There is little doubt that work is going on at a furious pace to meet contract deadlines. CNPC's presence in Turkmenabat will continue to have a positive impact on the local economy. Nevertheless, the company's growing needs could soon outstrip this provincial town's ability to provide what is needed. END COMMENT.
CURRAN